

## CHAPTER XXIII.

### THE LATER CRISES OF THE LAST CENTURY.

Growth in the Popular Understanding of Crises—The Effect of the Gold Discoveries and Railway Building in 1857 and 1866—The Failure of Overend, Gurney, and Co. in 1866, and of the Barings in 1890—The Economic Effects of the American and Franco-Prussian Wars and the Long Period of Depression from 1873 to 1879.

THE economic crises of the closing half of the nineteenth century were of wider extent than some of the earlier crises, because of the wider area and magnitude of modern commerce, and the suffering which they inflicted was more keen; but they possessed fewer of the characteristics of unreasoning panic than the earlier crises of the century, because of the more accurate comprehension of the laws of banking which has been diffused in the business community. The panic in England was less intense in 1857 than in 1847, and the serious dangers of the Baring failure in 1890 were warded off by the union of the Bank of England and the great financial houses, without any outbreak of visible alarm. The United States in 1893 passed through an equally trying experience, and runs upon the banks by depositors were several times feared, but no such runs took place except in cases where there were well-founded reasons for distrust.

#### *The Crisis of 1857.*

The crisis of 1857 took its direction from two of the cardinal events of the nineteenth century,—the gold discoveries